well-known intention of the framers of the con-

The well-known intention of the framers of the constitution.

It will not be denied that the general "power to declare war" is without limitation, and embraces within fiself not only what writers on the law of authors term a public or perfect war, but also an imperfect war—and, in short, every species of hostility, however confined or limited. Without the nathority of Congress the President cannot fire a lostile gun in any case, except to repel the attacks of an enemy. It will not be doubted that ander this power Congress could, if they thought proper, enthorize the President to employ the force at his command to seize a vessel belonging to an American clitzen which had been illegally and unpushly captured in a foreign port and restore it to its owner. But can Congress only act after the factafter the mischief has been done? Have they no power to confer upon the President the authority in advance to furnish instant redress should such a mase afterwards occur? Must they wait until the mischief has been done, and can they apply the remedy may when it is too late? To confer this authority to meet future cases under circumstances strictly specified, is as clearly within the war-declaring power as such an authority conferred upon the President by act of Congress after the deed had been done. In the pregress of a great nation many exigencies must arise imperatively requiring that Congress should authorize the President to act promptly on certain conditions which may or may not afterwards size. Our history has already presented a number of such cases. I shall refer only to the latest.

Under the resolution of June 2, 1838, "for the adjustment of difficulties with the republic of Parguay," the President is "authorized to adopt such measures and use such force as in his judgment power in advance to employ the army and navy to me the happening of contingent future events; and this most certainly is embraced within the power to declare war.

Now, if this conditional and contingent power could be constitutionally conferred

in the happening of contingent fature events; and this most certainly is embraced within the power to declare war.

Morestry of More Power in the Hands of the President in the case of Paraguay, why may it not be constitutionally conferred upon the President in the case of Paraguay, why may it not be conferred for the purpose of protecting the lives and property of American chizens in the event that they may be tolendy and unlawfully attacked in passing over the transit routes to and from California, or assailed by the serioure of their vessels in a foreign port? To deny this power is to render the navy in a great degree useless for the protection of the lives and property of American chizens in countries where neither protection nor redress can be otherwise obtained.

THE FORT OFFICE APPROPMATIONS.

The Thirty-fifth Congress terminated on the 3d of March, 1859, without having passed the "act making appropriations for the service of the Post Office Department during the fiscal year ending the 30th of June, 1869." It is act also contained an appropriation "to supply deficiencies in the revenue of the Post Office Department for the year ending the 30th of June, 1869." I believe this is the first instance since the origin of the federal government, now more than seventy years ago, when any Congress went out of existence without having passed all the general appropriation bills necessary to carry on the government until the regular period for the meeting of a new Congress. This event imposed on the executive a grave responsibility. It presented a choice of evils.

Had this omission of duty occurred at the first resiston of the last Congress, the remedy would have been plain. I might then have instantly recalled them to complete their work—and this without expense to the government, But on the 4th of March last there were fifteen of the thirty-three States which had not elected any representations of their Legislatures, at great inconvenience and expense, to provide for elections at an earlier day than that previ

the first two quarters of the past fiscal year, ending on the 31st December last. In the mean time the centractors themselves, under these trying occumstances, have behaved in a manner worthy of all commendation. They had one rescurce in the midst of their embarrassments. After the amount the to each of them had been ascertained and finally settled according to law, this became a specific debt of record against the United States, which enabled them to borrow money on this unquestionable security. Still they were obliged to pay interest in consequence of the default of Congress, and on every principle of justice ought to receive interest from the government. This interest should commence from the date when a warrant would have issued for the payment of the principal had an appropriation been made for this purpose. Calculated up to 1st December, it will not exceed \$96,660—5 sum not to be taken into account when contrasted with the great difficulties and embarrassments of a public and private character, both to the people and the States, which would have resulted from convening and holding a special session of Congress.

For these reasons I recommend the passage of a bill, at as early a day as may be practicable, to provide for the payment of the amount, with interest, due to these last mentioned contractors, as well as to make the necessary appropriations for the service of the Post Office Department for the current isseal year.

The failure to pass the Post Office bill necessarily

its own appointment and under its direct and exclusive control. This would increase the patrong age of the Executive to a dangerous extent, and would foster a system of jobbing and corruption and the patron of vigilance on the patr of federal officials ecula prevent. The construction of this road ough hier hos vigilantes on the patr of federal officials ecula prevent. The construction of this road ough hier for the patron of the federal officials ecula prevent in the construction of the companies, or other agencies, who would exercise the solid interest. I centure to assume that he solid interest is required to construct the road-had necessary supplies our possessions on the Pacific construction of the construction of the federal procession of the patron of the federal procession of the patron of the federal procession.

THE FINANCIAL CONDITION OF THE CONTENT.

We have get scarcely recovered from the babits of extravagant expenditure, produced by our overflowing Treasury, during several years prior to the commencement of my administration. The financial reverses which we have since experienced ought to teach us all to scrutinize our expenditures with the greatest vigilance, and to reduce them to the lowest possible point. The Executive Departments of the Government have devoted themselves to the accomplishment of this object with considerable success, as will appear from their different reports and estimates. To these I fivite the secutiny of Congress, for the purpose of redacing them still lower, if this be practicated, consistent with the great public interests of the country. In said of the policy of retenchment I pledge myself to examine closely the bills appropriating lands or money, so that if any of these should inactive the provision provision, and the surface of the federal consistent with the great public interests of the country. In said of the policy of retenchment I pledge myself to examine closely the bills appropriation for the security of Congress may the least, whether we have successed in the

The balance remaining in the treasury of the present fleral year, was four million three hundred and thirty nine thousand two hundred and seventy-five dollars and fifty-four cents (\$4,339,275.54).

by until the 1st of December—less than one week before the meeting of the present congress. The reason is that the mail contractors for tals the current year did not complete their first quarter's service until the 36th September last; and by the burns of their contracts sixty days more are allowed for the settlement of their accounts before the Department could be called upon for payment.

THE TROUBLES OF THE MAIL CONTRACTORS.
The great difficulty and the great hardship consisted in the failure to provide for the payment of the deficiency in the fiscal year ending the 30th June, 1869. The Department bad entered into seatments, in obedience to existing laws, for the service of that fiscal year, and the contractors were fairly entitled to their compensation as it became due. The deficiency as stated in the bill amounted to \$3,538,728, but after a careful settlement of all these accounts, it as been ascertained that it amounts to \$4,296,009. With the scanty means at his command the Postmaster-General has managed to paying the Postmaster-General has managed to paying the to each of them had been ascertained the Postmaster-General has managed to paying the to each of them had been ascertained the first two quarters of the past fiscal year, ending the first two quarters of the past fiscal year, ending the first two quarters of the past fiscal year, ending the first two quarters of the past fiscal year, ending the first two quarters of the past fiscal year to 30th June, 1860, are fifty nillion four hundred and finally settled according to law, this became a specific debt of record against the United States, which enabled them to borrow money on this unquestionable security. Sell they were obliged to pay interest in consequence of the deficiency which may be reissued under the fifth section of the zet of 3d March last, and four hundred dollars (\$1,300,000) from the ordinary sources and forty-tive million five hundred dollars (\$1,300,000) from the ordinary sources and forty-tive million five hundred dollars (\$1,300,000

such default of Congress, and on every principle of justice until to receive interest from the government of the principal had an appropriation bear misks for this purpose. Calculated up to its the seminer, it will not exceed \$86,600.—6 stan not to the taken into account when contrasted with the great difficulties and enhancements of a public that the principal had an appropriation bear misks for this purpose. Calculated up to its the seminer, it will not exceed \$86,600.—6 stan not to the taken into account when contrasted with the great difficulties and enhancements of a public great with the great difficulties and enhancements of a public great with the great difficulties and enhancements of a public great with the great difficulties and enhancements of a public great with the great gr

by law to carry into effect certain Indian treaties during the present fiscal year, asked for by the Secretary of the Interior, to the amount of five hundred and thity nine thousand three hundred and fifty dollars, (\$539.350.) and upon the estimates of the Postmaster General for the service of his department the last fiscal year, ending 30th June, 1859, amounting to four nillions two hundred and ninety-six thousand and nine dollars, (\$4,290.092), together with the further estimate of that officer for the service of the present fiscal year, ending 30th June, 1860, being five million five hundred and twenty-four dollars, (\$5,526,324.) making an aggregate of ten million five hundred and eighty-three dollars, (\$10,551.683.)

Should these appropriations be made as requested by the proper departments, the balance in the treasury on the 30th June, 1861, will not, it is estimated, exceed three million five hundred and thirty thousand one hundred and ninety-six dollars and sixty-one cents, (\$3,530.196.61.)

CONDITION OF THE DIPARTMENTS.

I transmit herewith the reports of the Secretaries of War, of the Navy, of the Interior, and of the Postmaster General. They each contain valuable information and important recommendations well worthy of the serious consideration of Congress.

It will appear from the report of the Secretary of War, the state of the reports of the Secretary of War, the state of the reports of the Secretary of War, the state of the reports of the Secretary of War, the state of the reports of the Secretary of the serious consideration of Congress.

the Postmaster General. They each contain valuable information and important recommendations well worthy of the serious consideration of Congress.

It will appear from the report of the Secretary of War that the army expenditures have been materially reduced by a system of rigid economy, which, in his opinion, offers every guarantee that the reduction will be permanent. The estimates of the Department for the next year have been reduced nearly two millions of dollars below the estimates or the present fiscal year, and half a million of dolers below the amount granted for this year at the last session of Congress.

The expenditures of the Post Office Department during the past fixal year, ending on the 36th June, 1859, exclusive of payments for mail service specially provided for by Congress out of the general treasury, amounted to \$13,964,493-33, and its receipts to \$7,988,484-07; showing a deficiency to be supplied from the treasury of \$6,996,009-26, against \$5,235,677-15 for the year ending 30th June, 1858. The increased cost of transportation growing out of the expansion of the service required by Congress explains this rapid augmentation of the expanditure. It is gratifying, however, to observe an increase of receipts for the year ending on 30th June, 1858.

It is estimated that the deficiency for the current fiscal year will be \$5,988,424-04, but that for the year ending 30th June, 1851, it will not exceed \$1,324,247-90, should Congress adopt the measures of reform proposed and urged by the Postmaster General. Since the month of March retrechments have been made in the expenditures amounting to \$1,526,471 annually, which, however, did not take effect until after the commencement of the present fiscal year. The period seems to have arrived for determining the question whether this Department shall become a permanent and ever-increasing charge upon the Treasury, or shall be permitted to resume the self-sustaining policy which had so long controlled its administration. The course of legislation recommended by

THE BALANCE SHEET OF THE NATION Annual Report of the Secretary of the Trea-

sury on the State of the Finances.

Six—in compliance with the act of Congress entitled "An act supplementary to an act to establish the Treasury

For the quarter ending December 31, 1858:
Frem customs. 9,984,228 60
From public lands 402,190 97
From miscellaneous sources 306,200 24
From treasury notes 1,122,000 00 For the quarter ending March 31, 1859 —

Frem costoms . \$12,780,252 19

From public lands . 490,947 78

From trescellaneous sources . 563,319 58

From tressury notes . 180,000 00

From kan authorized by set of

June 14, 1858 . 8,535,000 60

For the quarter ending June 30, 1859:—
From customs. \$14,280,923 31
From public lands. 442,376 71.
From Iniscellaneous sources. 313,052 17
From leasury notes. 7,980,200 09
From leas notherized by act of
June 14, 1858. 85,000 60

Total. \$83,751,511 57
Which amount was applied to the various branches of the public service as follows:-Civil, foreign intercourse, and mise-flane-Service of interior Department, (incians and

The estimated receipts during the three remaining quarters of the current fiscal year are as follows:

From customs. \$40,000,000 00
From uniscelleneous sources. 1,509,000 00
From the sarry notes. 5,755,400 00
From teasury notes. 5,755,400 00
From lean authorized by act of
June 14, 1858. 1,170,000 00
Making the aggregate of ascertained and estumated means for the current fiscal year, ending June 50, 1860.

The expenditures for the first quarter of the current fiscal year, 150, 1845, were:

For civil, foreign intercourse and miscellaneous. \$4,748,120 89

\$61,002,732.90 Deducting this aggregate expenditure from the aggregate of the before estimated

stated, the estimated balance will remain in the treasury on the 30th June, 1861, 67...\$18,691,879 dt. The failure of Congress at its last season to pass the bill for the service of the Post Office Department renders necessary appropriations for that department which must be paid during the present fiscal year. As these amounts are not contained in the preceding statement, it will be necessary to consider them, in order to arrive at the true condition of the treasury at the close of the present and part fiscal years.

sincer to arrive at the tree constituted years.

If will be seen from the communication of the Postmannia of the million hundred in the million in million in million in the constitution of the properties of a the constitution of the properties of the constitution of the properties of the constitution of the properties of the constitution of Congress. These three control to the constitution of Congress. These three control to the constitution of Congress. These three constitutions in the constitution of the

ingeneral circulation. All estimates on that point are purely speculative. During a prosperous condition of the country it no doubt increases with the demands of business; and whenever from any cause the supply is below the wants of the country, it will be manicested by a depression in trade and general embarrasament. Until these indications appear, we may safely calculate that there has been the usual and necessary increase.

With some persons the idea seems to prevail that we are necessarily overtracting with those countries to which cur specie is carried, and as the most of it goes to the ports of Great Britain, they conclude that we are therefore buying too largely of British productions. The fact that pay ments are made in England must not be considered as conclusive evidence that the debt has been contracted in the course of our trade with that country. By reference to table 10 it will be seen that our imports for the year ending June 30, 1859, from the East and West Indies, and other countries to the full extent of the excess of our export of specie. It will also be observed that the articles which we import from those countries are not produced in our own country. These articles must be had, and if we cannot furnish in exchange for them any other of our productions, they must be paid for in specie, and it is not material whether the specie for that purpose is sent to London or to the foreign port of exportation. If this branch of trade consumes the excess of specie exports, it would leave our commercial operations with all other countries upon a safe basis, even in the estimation of those who induge so many apprehensioned on account of our heavy exports of specie. It should be observed in take connected, that our exports to forest Britain for the last fiscal year exceed our langers about fifty millious, the excess, to a great extent, being applied to the payment of the demands of the countries to which I have just referred.

connection, that our exports to Great Britain for the last ilsual year exceed our haports about fifty millions, the excess, to a great extent, being applied to the payment of the demands of the countries to which I have just referred.

These views are submitted to the consideration of Congress in support of the opinion that we may look with confidence to a confinued increase in the business of the country. The natural tendency in times of prosperly is to extravagance and overtrading, and this feeling should not be stimulated. If induged, it will in the future, as it has done in the past, lead to revulsions and embarrasaments; but there is no extrost danger to be apprehended if the increased business of the country continues to bear a proper proportion to those natural causes which produce and sustain it.

Entertaining these views, I do not doubt that the actual receipts into the treasury for the present and next liscal years will be fully equal to the estimates. The only remaining question in connection with the estimates to be considered is the probable demands upon the treasury during this period. If the appropriations made at the present session do not exceed the amount contained in the estimates, it is believed that they can be met with the ordinary and extraordinary receipts already provided for by law. The estimated balance that will be in the treasury on the 20th June, 1801, is only \$5,630,100 cff. and leaves no margin for additional appropriations. If, therefore, the appropriations should exceed the estimates, or Congress should determine to provide within this period for the payment of any portion of the public debt to next the ordinary expenses of the government abould not be entertained for a moment. If additional demands are created upon the treasury by the legislation of the present Congress, provision must be made to meet them by such increase of tariff duties as may be required for that purpose. In such an event twould respectfully refer Congress to my last report, as containing the views of the

doubtiess he soon completed, which will make the porma-ment public debt \$45,165,977 66.

Of the imporary public debt authorised by the act o December 23, 1857, previous for the issue of \$29,000,00 in irreasury notes, there were outstanding on the 1st July 1858, as shown by my last report, \$19,754,300. On th 36th June, 1859, the close of the last flead year, th amount of these notes outstanding was \$15,046,800. The details of the various descriptions of the public debt o the 30th June, 1859, are shown by the statemen marked 3.

In the estimated measure of the sound was statemen

No revenue has been received from it since that period, and none is contemplated.

Under the laws of Kentucky the United States are subsubstantially owners of this canal, but no authority has been given to supersede the corporation in its managemen, no action having been had by Congress on this subject since the amended charter by Kentucky. Under these circumstances I would refer the whole subject to Congress for such action as they may deem proper. The annual report of the Director of the Mint is borewith transmitted (marked 12), as also the reports of the various Bureaus of the Treasury Department (marked from A to I.). They contain much interesting information in connection with their respective branches of the public/service.

from A to 1.). They contain moca microscopy and then in connection with their respective branches of the public service.

The report of the Soperint thent of the Coast Survey will be laid before Congress at an early day.

HOWELL CORB, Secretary of the Treasury.

OUR ARMY.

Appual Report of the Secretary of War for the Year 1859.

WAR DEPARTMENT, Dec. 1, 1859. Sm-The anthorized strength of the army is 18,165 men, all told. On the first of July, the date of the last complete returns, the actual number reached 17,493. Of this number there are not more than about 11,000 men available for active service in the field. This little force has been engaged, with its usual activity and efficiency, since the date of my last report, in the discharge of its ardrons and multitarious duties, being required to man about 130 permanent garrisons, posts and camps, scattered over an area of three millions of square miles. Under these circumstances it has been obviously impossible to give that ample and perfect proobviously impossible to give that ample and perfect pro-tection to our whole frontier which our citizens have a right to expect, and which it is the duty of government to afford. Indian depredations have been committed on our Southern and Mexican border, which as yet have been unchastised for the want of men. I hope to make such an alteration in the disposition of the troops next season as will prevent any repetition of these outrages in future

on that frontier.

It has been truly said that to call ours a peace establishment is a mere house of terms. All the incidents per-taining to an active war establishment characterize our service throughout the year, excepting only the casualties upon the battle field; and these, in our service, are far from being few or insignificant. The sudden calls to which our troops are constantly reliable, the length of marches to be made, the amount of real and severe our troops are constantly reliable, the length of marches to be made, the amount of real and severe tatigue, privation and hardship to be endured by them, are not exceeded in any service, nor at all equalled or nany peace establishment whatever. The cheerfulness, lacrity, and efficiency with which they have performed their duties entitle them to the commendation of the country. The positions held by our troops at the date of my last report are, in the main, those they still occupy, being the best the searce the peace of our Territories and o give protection to our frontiers and the overland routes to the Pacific. The papers communicated with this report will show, somewhat in detail, the movements of the troops and the results of them.

The war which, last year, was going on with the Comanches and Kiowas is still unfilledled, but the theatre of it is extended from the western part of our Texan boundary to the region lying towards the headwaters of the Arkarses and Canadian rivers. Proper ancestres have been taken to subdue those tribes, and to give perfect protection to the routes from Missouri and Arkarses to New Mexico.

In connection with the subject of frontier defence, I venture to submit a plan which, if approved by Congress, will, I am confident, be productive of great ultimate good to the country and an essential saving to the treasury. It is to allow by law the enlist ment of men for the mounted corps, whose term of services shall continue for the period of six months, beginning it may. These mou shall be required to furnish their own horses, for which a liberal per diem compensation for loss or damage unless the commanding officer should certify that

the herse had been actually tilled or rendered unionaby in jury in battle. These six months recroise should be discovered to the present force should be disabled on make room for them. They would be competed of the beet young mus of the frouter, many of the frouter, many of whom would guide used he service for that tought of the present of the testing of the term of the control of the testing like, allower, by make sport, 11 (15) the book of the hard food from the hard from the h

The experiments thus far made—and they are pretty full—demonstrate that cameis constitute a most useful and economical means of transportation for men and supplies through the great deserts and barren regions of our interior. A camel will go nafely with its burden over ground so rough and precipitous that a male will scarcely pass over it unladen without assistance. They require no forage but what they gather in the most sterile and barren parts of our continent, and for many days together in the conveniently without water. An abundant supply of the burden of the proposed of the service of the ment of the proposed of the service of the ment of the proposed of the service of the ment of the proposed of the service. The interior supply to the favorable consideration of Congress.

The report of the surgeon general contains important suggestions for the good of the service. The increase of the medical staff recommended by him has become a necessity, and requires the action of Congress.

The coffee retion of the areas is fixed by law, and cannot be altered by any regulation. It is manifestly too small, and ought to be increased. The good of the service requires that the supply of coffee for the army should be put on the same footing with all other rations, and loft to the experience of the service in fix the quantity. I herewith transmit a communication from a surgeon of the army upon this subject, whose recommendations are concurred in by Brevet Major General Twiggs.

The reports of Colone Delafield and Major Mordecal of their observations on the military system of Ear ype were submitted to Congress last session. They contain favorable to those who have considered its importance. The arm is one for which both study and experience of printed without delay.

The efficiency of our artifury plass at all times been an effect of solicitude to those who have considered its importance. The narm is one for which he dela signals, naturely states and all states of the army of the companies, even of the army of the army of the